

**DEPARTMENT OF FINANCE BILL ANALYSIS**

**AMENDMENT DATE:** Original  
**POSITION:** Oppose

**BILL NUMBER:** SB 1661  
**AUTHOR:** S. Kuehl

**BILL SUMMARY: Unemployment Compensation: Family Leave**

This bill would add being terminated as the result of taking a qualifying leave under the family temporary disability insurance program to the list of circumstances under which an individual is determined to "have left his or her most recent work with good cause."

**FISCAL SUMMARY**

This bill would have no fiscal impact. The individuals targeted by this bill are already eligible to receive unemployment compensation benefits. Termination for misconduct is the only reason that a terminated eligible employee would be ineligible to receive these benefits.

**COMMENTS**

The Department of Finance is opposed to this bill because it is unnecessary. Employees that are terminated as the result of taking qualifying family leave are already eligible to receive unemployment compensation benefits.

The federal Family and Medical Leave Act (FMLA) entitles eligible employees working for employers with more than 50 employees to take unpaid, job-protected leave for up to 12 weeks per year. Paid Family Leave allows employees to take up to six weeks of partial wage replacement benefits for specified family related circumstances. Existing law does not prevent an employer with fewer than 50 employees from terminating employment at the end of the PFL period.

Under existing law, an employee whose employment is terminated as the result of taking family leave is eligible to receive unemployment compensation benefits. Existing law states that an individual is disqualified for unemployment compensation benefits if he or she left work voluntarily without good cause or if he or she was discharged for misconduct. Further, existing law states that an individual is presumed to have been discharged for reasons other than misconduct unless the employer has given written notice to the contrary.

In addition, this bill would not solve the problem the author is attempting to correct. According to the author, some employers challenge the unemployment insurance applications of former employees who were terminated as the result of taking PFL, claiming that the employee left work voluntarily or without good cause. In this case, the employee is claiming that separation occurred because the employer terminated employment, while the employer claims that the employee left voluntarily. The proposed legislation would not resolve this problem.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP								
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010		
7100/EDD	SO	No		-----	No/Minor	Fiscal Impact	-----		0588	
<u>Fund Code</u>	<u>Title</u>									
0588	Unemployment Compensation Disability Fd									

Analyst/Principal (0241) K. Shelton	Date	Program Budget Manager Todd Jerue	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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